

Questar to pass costs on

By Dave Anderton Deseret Morning News

248 words

21 October 2005

Deseret Morning News

D09

English

(c) 2005 Deseret News Publishing Co.

Utah utility regulators, the state Committee of Consumer Services and Salt Lake-based **Questar** Gas Co. have reached an agreement that will pass additional costs to **Questar** customers related to a processing plant near Price.

The plant removes a portion of carbon dioxide from natural gas supplies, making the gas safer to burn in Wasatch Front homes.

According to the agreement, Questar will be allowed to recover in its rates 90 percent of the actual non-fuel costs associated with the processing of the natural gas.

It costs Questar roughly \$4 million annually in non-fuel costs to process the gas.

In August 2003, a Utah Supreme Court decision rejected a \$25 million rate increase imposed on Questar's customers in relation to past natural gas processing costs.

Questar fully collected the \$25 million over a five-year period ending in May 2004. But because of the court's decision, the utility in August 2004 began refunding that money, plus \$4 million in interest, as a credit on customers' bills.

The new agreement allows Questar to capture ongoing costs associated with the processing plant after Jan. 31, 2005, until 2008, a target year in which Questar Gas hopes enough of its Utah customers will have their furnaces adjusted to burn new composition gas supplies so the plant can be shut down.

The Utah Public Service Commission must still approve the deal. E-mail:

danderton@desnews.com

Document DN00000020051021e1a100025

© 2005 Dow Jones Reuters Business Interactive LLC (trading as Factiva). All rights reserved.